

Rebuttal Testimony of Brian Ross

On behalf of the 500 Road Group

Illinois Commerce Commission
Docket 01-0620

Q. Please state your name and business address.

A. My name is Brian Ross. My business address is 2634 Vincent Avenue North, Minneapolis, MN.

Q. Are you the same Brian Ross that offered direct testimony in this proceeding?

A. Yes

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony will respond to several issues raised by Mr. Kirit Shah in his rebuttal testimony on behalf of Ameren/CIPS. The fact that I do not discuss any particular issue or position in my rebuttal testimony does not indicate that I endorse or otherwise agree with that particular issue or position.

Q. On pages 12 and 13 of his rebuttal testimony, Mr. Shah discusses his opinion that “externalities,” described in your direct testimony, have no place in the current certificate hearing. Does Mr. Shah present any evidence that externalities are not costs?

A. No. Mr. Shah agrees with Staff witness Larson’s direct testimony that the decision criteria (Shah Rebuttal at 2) noted in Section 8-406 of the Public Utilities Act are the operative decision criteria. Mr. Shah then asserts, without additional evidence, that costs that are external to the Company’s cost analysis are not within the scope of this proceeding.

Q. Does the Company consider external costs in its cost analysis?

26 A. The Company does not assign costs to the nuisance and property value impacts of the
27 proposed line, but does include in its planning assessment a consideration of the proposed line's
28 impacts that extend beyond the actual right-of-way ("ROW"). On pages 6 and 7 of AmerenCIPS
29 witness Mr. DeWeese's direct testimony, he notes that using the first alternative line route
30 "affects a fewer number of occupied residences within 200 feet of its centerline," and the second
31 alternative line route "does have fewer occupied homes within 200 feet of the centerline than the
32 other routes." The proposed line's ROW for any of the alternative routes will be only 40 feet on
33 either side of the centerline (Laup Direct at 3).

34 While acknowledging that potential impacts of the proposed line affect a corridor that is
35 400 rather than just 80 feet wide, AmerenCIPS did not include these costs in its economic
36 analysis. The Company has provided its methodology for creating a cost estimate for its
37 proposed transmission line (Id. at 4-6). The monetary costs included in this methodology cover
38 only the portion of any private property that falls within the proposed line's 80 foot ROW and
39 rely on a pre-determined compensation formula that does not acknowledge "Specific situations
40 that are non-typical" (Id. at 5). Thus, the Company did not assign any costs to the impacts of the
41 proposed line on property value or land use outside the delineated ROW.

42 I believe the Commission should consider such costs and recognize that the estimated
43 costs of each alternative line would be higher than what AmerenCIPS has estimated, and that the
44 difference in cost between the alternative lines (the resagging/reconstruction of the existing lines,
45 and the alternative routes that affect fewer occupied homes) is significantly less than asserted by
46 the Company. At the very least, the cost uncertainty associated with the new line in regard to
47 "potential landowner damages" is quite real, and could ultimately change the economic viability
48 of the alternatives analysis. More likely, the proposed line will impose substantial costs on

landowners adjacent to or within the line's ROW that will not be recognized by AmerenCIPS or AEG.

Q. On page 13 of his rebuttal testimony, Mr. Shah asserts that you have misconstrued the meaning of a planning memo that discussed the option of using an operating limitation at Gibson City as a long-term contingency plan. Do you believe you misconstrued that memo?

A. No.

Q. Is the operating limitation part of a potential mitigation strategy?

A. Yes, I believe the strategy can be part of a mitigation effort. The option is available as an economic choice by the generator. Mr. Shah is of the opinion that AmerenCIPS cannot require, under NERC planning standards and FERC non-discrimination standards, the generator to use the referenced operating limitation as part of a long-term contingency plan. (Shah Rebuttal at 7). Whether long-term use of the operating limitation is a violation of the non-discriminatory access standards is a legal question. However, my understanding of the AmerenCIPS memos provided in response to Staff data request POL 1.15, of the obligations of AmerenCIPS to AEG and of AEG's own regulatory obligations, is that AEG is not under any obligation to purchase transmission capacity that enables it to run its plant at full output in the event of a single contingency. Neither is AmerenCIPS obligated to provide transmission capacity below cost.

The memo to which Mr. Shah and I refer was written before the Company's decision to proceed with a new transmission line. This memo indicated that the generator (AEG), not AmerenCIPS, would consider, based on economic considerations, alternatives to an expensive transmission upgrade including an operating limitation in the event of a single contingency. This economic consideration is consistent with the Gibson City generating plant's low capacity factor

as discussed by Staff witness Larson on page 3 of his direct testimony. The generator has little economic incentive to pay for an expensive transmission upgrade to enable a peaking plant to produce its full output during the off-peak season in the unlikely event of a failure of one 138-kv line.

Q. On page 5 of his rebuttal testimony, Mr. Shah describes the transmission system planning criterion that he states “must be followed to continue to provide a reliable transmission system.” He also notes that the Gibson City plant does not meet the transmission system planning criterion. Is the transmission system planning criterion Mr. Shah cites a requirement that AmerenCIPS must follow under any circumstances?

A. No. My understanding is that AmerenCIPS is required to submit its transmission system planning criteria and guidelines to the Federal Energy Regulatory Commission (FERC), and engage in regional transmission planning with other utilities, but the criteria are not imposed upon AmerenCIPS either by statute or regulation. While these guidelines and criteria can inform the administration of rules, such as the non-discrimination requirement noted by Mr. Shah on page 6 of his rebuttal testimony, my understanding is that an exception or departure from the criterion is not equivalent to failing to comply with an affirmative legal obligation, nor does it demonstrate unreliability.

Q. Does AmerenCIPS’ transmission system planning standards described by Mr. Shah allow for exceptions or mitigating circumstances?

In a proprietary response to Intervenor data request 2.08
AmerenCIPS provided

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Intervenor Data Request 2.08)

Q. In his rebuttal testimony Mr. Shah discusses at length the reasons why he believes not building the proposed line will present reliability compromises and put AmerenCIPS at risk for discriminatory practices. If the Commission does not grant this certificate, do AmerenCIPS and the public face the risks described by Mr. Shah?

A. No, for several reasons. First, while Mr. Shah appears to present this case as a choice between the proposed line and system reliability, that is not the choice before the Commission. AmerenCIPS has other options of meeting its transmission planning criteria than building the proposed line, including options that do not rely on the generation reduction scheme that currently mitigates the risk from a single contingency failure. His concern about being able to

129 “reliably deliver the thousands of MWs of new generation” (Shah Rebuttal at 10) has very little,
130 if anything, to do with the decision currently before the Commission.

131 Second, as noted in answer to the previous question,
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134 Finally, the real issue before the Commission in this proceeding is one of need and cost
135 for the particular proposed line rather than merely an engineering or transmission planning
136 decision. The costs of the proposed line, including the external costs and the risk posed by cost
137 uncertainty, must be weighed against the actual need for the line. The Commission should not
138 dismiss real costs of this proposed line, costs that AmerenCIPS chose not to consider, merely to
139 provide AEG with a less costly transmission enhancement.

140 **Q. Does this conclude your rebuttal testimony?**

141 A. Yes.

AmerenCIPS' Response to
500 Road Group's Data Request
ICC Dock No. 01-0620

Company Person Responsible: Kirit Shah

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Intervenor 2.08 Please provide copies of AmerenCIPS FERC-715 filings for the previous three years.

Response: See attached copy of Ameren's filings for 1999, 2000, and 2001. The electronic copy does not include maps provided as part of the Part-3 filing.

1999 Filing



FESCHLD.doc



IDEN-CER.doc



PART-2.doc



PART-3.doc



PART-4.doc



PART-5.doc



PART-6.doc



TITLEP6.doc

2000 Filing



FESCHLD.doc



IDEN-CER.doc



PART-2.doc



PART-3.doc



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TITLEP6.doc

2001 Filing



FEESCHLD.doc



IDEN-CER.doc



PART-2.doc



PART-3.doc



PART-4.doc



PART_4CIPS.doc



PART_4Urev.doc



PART-5.doc



PART-6.doc



TITLEP6.doc

**Portion of
AmerenCIPS Response to
Intervenor Data Request
2.08**

Public Version

This is confidential and proprietary.

CERTIFICATE OF SERVICE

(Docket No. 01-0620)

I hereby certify that I have this 19th day of April, 2002, served Rebuttal Testimony of Brian Ross on behalf of the 500 Road Group's by electronic mail, postage prepared, to the following:

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